

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Washington Analyst: Roger Lackey Bill Number: AB 356

Related Bills: See Prior Analysis Telephone: 845-3627 Amended Date: 08-25-2000

Attorney: Patrick Kusiak Sponsor:

SUBJECT: Enterprise Zones/Authorizes Additional Designation of One Geographic Area Within Los Angeles County

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED August 14, 2000, STILL APPLIES.

OTHER - See comments below.

SUMMARY OF BILL

Under the Government Code, this bill would require the Trade and Commerce Agency (TCA) to rank applicants and designate a geographic area of high-density unemployment adjacent to areas of depressed economic business activity located within one city in Los Angeles County as an additional enterprise zone. This bill would specify that TCA could designate only a geographic area that meets certain additional criteria.

This bill would provide that all enterprise zone tax incentives would apply to the enterprise zone designated under this bill.

SUMMARY OF AMENDMENT

The August 25, 2000, amendment revised the bill's language to provide that TCA would follow the procedures used for ranking and designating enterprise zones. The amendment also would provide that TCA must rank a geographic area within one city rather than ranking the entire city for purposes of designating a new enterprise zone. Finally, the amendment added an additional criterion that the applicant geographic area previously must have been part of the Los Angeles Revitalization Zone.

Except for the discussion in this analysis, the department's analysis of AB 356 as amended August 14, 2000, still applies.

BOARD POSITION

Neutral.

At its March 23, 1999, meeting, the Franchise Tax Board voted 2-0 to take a neutral position on this bill as introduced February 11, 1999.

Board Position:

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input checked="" type="checkbox"/> N	<input type="checkbox"/> OUA	<input type="checkbox"/> PENDING

Legislative Director

Date

Johnnie Lou Rosas

9/14/00